



JTPA

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Serving the People of California

DIRECTIVE

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TO: SERVICE DELIVERY AREA ADMINISTRATORS
PRIVATE INDUSTRY COUNCIL CHAIRPERSONS
JTPD PROGRAM OPERATORS
EDD JOB SERVICE OFFICE MANAGERS
JTPD STAFF

SUBJECT: JTPA FUND TRANSFERS

EXECUTIVE SUMMARY:

Purpose:

This Directive transmits the policy and procedures for transfer of Job Training Partnership Act (JTPA) funds. This Directive provides follow-up information to Information Bulletin B96-29, dated August 22, 1996, titled JTPA PY 1996-97 TITLE II-A, ADULT TRAINING PROGRAM, TITLE II-C, YOUTH TRAINING PROGRAM; AND FY 1996 TITLE II-B, SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM—TRANSFER OF FUNDS.

This Directive also transmits the Department of Labor (DOL) Training and Employment Guidance Letter 7-95, dated July 31, 1996, Subject: JTPA Intertitle Transfers.

This Directive also issues instructions for PY 1997-98 funds, based on Public Law 104-208.

Scope:

This Directive discusses fund transfers for JTPA Titles II-A, II-B, II-C and III formula funds. Transfer rules for Program Year (PY) 1994-95, 1995-96, 1996-97 and 1997-98 for Titles II-A and II-C funds; PY 1994-95, 1995-96, Fiscal Year (FY) 1996, and PY 1997-98 Title II-B funds; and PY 1996-97 and 1997-98 Title III formula funds are addressed.

Effective Date:

This Directive is effective upon its release.

REFERENCES:

- JTPA Sections 206, 256 and 266
- Public Law 104-19, 104-134, and 104-208
- JTPA Information Bulletin B96-29, dated August 22, 1996
- JTPA Interim Directive 93-17, dated December 3, 1993
- JTPA Directive D95-28, dated February 1, 1996
- JTPA Directive D95-31, dated March 6, 1996
- JTPA Directive D96-1, dated July 3, 1996
- DOL Training and Employment Guidance Letter 7-95, dated July 31, 1996

STATE-IMPOSED REQUIREMENTS:

This Directive contains state-imposed requirements that are shown in ***bold, italic type***.

FILING INSTRUCTIONS:

Retain this Directive until further notice.

BACKGROUND:

The amended JTPA, in Section 206, permitted Service Delivery Areas (SDA) to transfer of up to 10 percent of the Title II-A allocation (77 percent) to Title II-C (82 percent); Section 256 permitted the transfer of up to 10 percent of the Title II-B allocation to Title II-C (82 percent); and Section 266 permitted the transfer of up to 10 percent of the Title II-C (82 percent) allocation to Title II-A (77 percent). The Goals 2000: Educate America Act amended Section 256 for PY 1993-94 and all subsequent program years, to permit the transfer of up to 20 percent of the Title II-B allocation to Title II-C.

All of the above transfers could only take place if they were described in the Job Training Plan and were approved by the Governor. Funds transferred must stay within the program year in which they were originally allocated. Transfers may take place anytime during the three-year life of the funds.

Provisions of the Emergency Supplemental and Rescission Act, 1995, Public Law 104-19, in addition to decreasing the funding for Title II-C and other JTPA program components, allowed the transfer, between Titles II-B and II-C, of up to 50 percent of the funds allocated to these program components for PY 1994-95 and 1995-96. ***It was also allowable to transfer more than 50 percent from either the PY 1994-95 or PY 1995-96 allocation as long as the total did not exceed 50 percent of the total of the two years' allocations.*** (See JTPA Directive D95-28 for a detailed discussion.)

The Omnibus Consolidated Rescissions and Appropriations Act of 1996, Public Law 104-134, permitted a 100 percent transfer between Title II-B funds for **FY 1996** and

Title II-C funds for PY 1996-97, after July 1, 1996. Public Law 104-134 also allowed transfers between Title II-A and Title III formula funds for the first time. One hundred (100) percent of the PY 1996-97 funds for Title II-A and Title III could be transferred under this provision. However, all these subsequent changes to transfer rules continued to require the transfers to be described in the Job Training Plan and approved by the Governor.

Public Law 104-208 permits a 100 percent transfer between PY 1997-98 Title II-B and Title II-C funds after July 1, 1997. Public Law 104-208 also allows transfers between Title II-A and Title III formula funds of up to a maximum of 20 percent, subject to approval by the Governor and inclusion in the Job Training Plan.

The basis for all transfers is the amount initially allocated as defined in JTPA Section 202(b), 252(b), 262(b) and 302(d).

POLICY AND PROCEDURES:

The State's policy has been to allow SDAs the maximum transfer flexibility allowed by the law so long as the risk does not outweigh the benefits to the JTPA program. However, DOL policy has stated that if more than 20 percent of the PY 1996-97 Title III formula funds were transferred to Title II-A, the State and/or SDA would be required to provide a financial match for any National Reserve Account (NRA) funds awarded. If more than 50 percent of the Title III formula funds were transferred to Title II-A, no NRA funds will be awarded. ***In view of this potential risk to State NRA funding, the State has determined that a maximum percentage be used in approving transfer requests. Therefore, no more than 20 percent of the allocated PY 1996-97 funds will be approved for transfer between Title II-A and Title III formula (60 percent) funds.*** Title III 40 percent and NRA funds are excluded from the transfer provisions. However, future requests for Title III 40 percent or NRA funds from SDAs that transferred funds from Title III to Title II-A will be scrutinized by State staff for appropriateness and need.

The 20 percent transfer of funds is consistent with Public Law 104-208 regarding 1997 transfer authority between Titles II-A and III.

Funds transferred from Title III to Title II-A are exempt from the December 31, deobligation deadline regarding formula allocated funds (Reference JTPA Interim Directive 93-17, Funds Utilization for Title III Funds, page 3). Transfers will reduce the funds available upon which recapture analysis is based, regardless of when the transfer occurs. However deobligations to the JTPD will continue to be governed by the existing policy.

Transfer Policy by Program Year

The following presents a summary of transfer policy for the three program years whose funds are currently active. All transfers must be described in the Job Training Plan and approved by the Governor.

PY 1994-95

All transfer activity for PY 1994-95 takes place within the PY 1994-95 Title II master subgrant (G500XXX).

- **Title II-A to Title II-C**—up to 10 percent of the funds allocated to Title II-A may be transferred to Title II-C. (JTPA Section 206)
- **Title II-C to Title II-A**—up to 10 percent of the funds allocated to Title II-C may be transferred to Title II-A. (JTPA Section 266)
- **Title II-B to Title II-C***—up to 50 percent of the funds allocated to Title II-B may be transferred to Title II-C (Revision made by Public Law 104-19 affects funds allocated for PY 1994-95 and PY 1995-96.)
- **Title II-C to Title II-B***—up to 50 percent of the funds allocated to Title II-C may be transferred to Title II-B. (Revision made by Public Law 104-19 affects funds allocated for PY 1994-95 and PY 1995-96.)

PY 1995-96

All transfer activity for PY 1995-96 takes place within the PY 1995-96 Title II master subgrant (G600XXX).

- **Title II-A to Title II-C**—up to 10 percent of the funds allocated to Title II-A may be transferred to Title II-C. (JTPA Section 206)
- **Title II-C to Title II-A**—up to 10 percent of the funds allocated to Title II-C may be transferred to Title II-A. (JTPA Section 266)
- **Title II-B to Title II-C***—up to 50 percent of the funds allocated to Title II-B may be transferred to Title II-C. (Revision made by Public Law 104-19 affects funds allocated for PY 1994-95 and PY 1995-96.)
- **Title II-C to Title II-B***—up to 50 percent of the funds allocated to Title II-C may be transferred to Title II-B. (Revision made by Public Law 104-19 affects funds allocated for PY 1994-95 and PY 1995-96.)

**It is also allowable to transfer more than 50 percent from either the PY 1994-95 or PY 1995-96 allocation as long as the total does not exceed 50 percent of the total of the two years' allocations. (See JTPA Directive D95-28 for a detailed discussion.)*

FY 1996

Special rules apply to the Title II-B funds granted for the Summer of 1996 and labeled by DOL as FY 1996 funds. These funds were provided to the SDAs in the PY 1995-96 Title II master subgrant (G600XXX) under Grant Code 325. These Title II-B funds are to be transferred to the PY 1996-97 Title II-C funds in the G700XXX subgrant. Conversely, PY 1996-97 Title II-C funds can be transferred to the FY 1996 Title II-B funds.

- **Title II-B to Title II-C**—up to 100 percent of the funds allocated to Title II-B may be transferred to Title II-C. (Revision made by Public Law 104-134, funds allocated for FY 1996 Title II-B and PY 1996-97 Title II-C only.)
- **Title II-C to Title II-B**—up to 100 percent of the funds allocated to Title II-C may be transferred to Title II-B. (Revision made by Public Law 104-134, funds allocated for FY 1996 Title II-B and PY 1996-97 Title II-C only.)

PY 1996-97

All transfer activity between Title II components for PY 1996-97 takes place within the PY 1996-97 Title II master subgrant (G700XXX).

- **Title II-A to Title II-C**—up to 10 percent of the funds allocated to Title II-A may be transferred to Title II-C. (JTPA Section 206)
- **Title II-C to Title II-A**—up to 10 percent of the funds allocated to Title II-C may be transferred to Title II-A. (JTPA Section 266)

All transfer activity between Title II-A and Title III for PY 1996-97 takes place between the PY 1996-97 Title II master subgrant and the PY 1996-97 Title III master subgrant. ***Transfers of this type must be requested by April 1, 1997, to allow sufficient time for processing before the end of the program year.***

- **Title II-A to Title III**—***up to 20 percent of the funds allocated to Title II-A may be transferred to Title III formula funds (60 percent).*** (Revision made by Public Law 104-134 and decision of the Governor affects funds allocated for PY 1996-97 only.)
- **Title III to Title II-A**—***up to 20 percent of the funds allocated to Title III formula funds (60 percent) may be transferred to Title II-A.*** (Revision made by Public Law 104-134 and decision of the Governor affects funds allocated for PY 1996-97 only.)

PY 1997-98

All transfer activity between Title II components for PY 1997-98 takes place within the PY 1997-98 Title II master subgrant (G800XXX).

- **Title II-A to Title II-C**—up to 10 percent of the funds allocated to Title II-A may be transferred to Title II-C. (JTPA Section 206)
- **Title II-C to Title II-A**—up to 10 percent of the funds allocated to Title II-C may be transferred to Title II-A. (JTPA Section 266)
- **Title II-B to Title II-C**—up to 100 percent of the funds allocated to Title II-B may be transferred to Title II-C. (Revision made by Public Law 104-208, and funds allocated for PY 1997-98 Title II-B and PY 1997-98 Title II-C only.)
- **Title II-C to Title II-B**—up to 100 percent of the funds allocated to Title II-C may be transferred to Title II-B. (Revision made by Public Law 104-208, affects funds allocated for PY 1997-98 Title II-B and Title II-C only.)

All transfer activity between Title II-A and Title III for PY 1997-98 takes place between the PY 1997-98 Title II master subgrant and the PY 1997-98 Title III master subgrant. ***Transfers of this type must be requested by March 1, 1998, to allow sufficient time for processing before the end of the program year.***

- **Title II-A to Title III**—***up to 20 percent of the funds allocated to Title II-A may be transferred to Title III Formula funds (60 percent).*** (Revision made by Public Law 104-208 and decision of the Governor, affects funds allocated for PY 1997-98 only.)
- **Title III to Title II-A**—***up to 20 percent of the funds allocated to Title III formula funds (60 percent) may be transferred to Title II-A.*** (Revision made by Public Law 104-208 and decision of the Governor, affects funds allocated for PY 1997-98 only.)

Transfer Procedures

Document the Transfer in the Job Training Plan

As explained in Directive D95-31, all plan changes not meeting the criteria for a modification can be incorporated into the plan as a plan adjustment. Adjustments are not required to be published prior to submission to the state for approval. Although review and consultation with local partners is not required, SDAs are strongly encouraged to confer with any affected customers to ensure that the proposed change is consistent with local employment and training needs.

Many SDAs have already documented their intention on form Part II—Section 8A Intra-Title Transfer(s) of Funds Declaration to transfer between Titles II-A and II-C

and/or between Titles II-B and II-C. If the plan indicated that the SDA might use one or more of the transfer options, and no further transfers are contemplated, then SDAs need make no further changes to the Funds Declaration Form. ***The SDAs wishing to transfer PY 1996-97 funds from Title II-A to Title III, or vice versa, or that wish to exercise one of the other transfer options and have not done so previously, must complete the revised Part II - Section 8A Funds Declaration attached to this Directive. The SDA must submit this form as an adjustment to the Job Training Plan. Refer to Directive D95-31, Handbook of Instructions, pages six through nine, and to Directive D96-1, for information and instructions on completing adjustments.***

The SDAs wishing to transfer PY 1997-98 funds from Title II-A to Title III, or vice-versa, or between Title II-B and Title II-C may include the transfer as part of the second year modification to the Job Training Plan. Modification instructions and forms will be issued in March.

Send a Transfer Request Letter to Your Program Manager

As stated in the Handbook of Instructions and in Directive D95-28, the completion of the Funds Declaration form does not constitute an actual transfer of funds. If you wish to effect a transfer, a letter requesting the transfer must be sent to your Program Manager. This may be sent along with any plan changes needed. The letter must provide the following information:

SDA Name

Master Subgrant Number

Program Year

Direction of Transfer (Title II-A to Title II-C, Title II-C to Title II-A, Title II-B to Title II-C, Title II-C to Title II-B, Title II-A to Title III, Title III to Title II-A)

Amount of Transfer

Reason/Rationale for Transfer

Contact Person

Contact Person's Telephone Number

Date of Request

Please note that all requests must provide the reasons or rationale for the transfer request. This will provide the basis for the State's approval or denial of the request.

Program Manager Reviews/Approves Transfer

The JTPD Program Manager for the SDA will review transfer requests. They will verify that the Job Training Plans reflect the transfer and that the transfer is within the allowable limits.

In Training and Employment Guidance letter 7-95, DOL established approval criteria that should be considered in the State's review process. These factors include:

- impact on jointly-funded employment and training programs;
- impact on existing agreements for the delivery and/or coordination of employment and training services;
- impact on current State and SDA/SSA employment and training systems;
- changes in labor market conditions;
- the extent to which the proposed transfer improves the delivery of employment and training services; and
- impact on the employment and training needs of eligible participants in the SDA/SSA.

As stated in the answer to question four attached to TEGL 7-95, the SDAs should address these factors in their transfer requests. The JTPD will consider these factors in the review of the transfer requests.

The Program Manager will forward an approved transfer to the JTPD Financial Management Unit (FMU), and request a subgrant modification. If the Program Managers cannot approve the transfer immediately, they will work with the SDA to correct any problems before the request for subgrant modification is forwarded to the FMU.

If the approved transfer would decrease a program funding source by more than 20 percent, then a modification of the Job Training Plan is required. Otherwise, the change(s) may be submitted as an adjustment to the Plan. In either case, appropriately revised budget and participant planning forms must be submitted. If funds are to be transferred from Title III to Title II-A, or vice-versa, use the revised form Section 9 Title III Substate Plan Budget Summary attached to this Directive. These forms may be submitted with the revised Intra-Title Transfer(s) of Funds Declaration or as a separate modification or adjustment. Refer to Directives D95-31 and D96-1 for information and submittal instructions regarding modifications and adjustments.

Financial Management Unit (FMU) Prepares and Processes Subgrant Modification

In response to the Program Manager's request for subgrant modification, JTPD's FMU staff prepares a unilateral subgrant modification to reflect the transferred funds. This modification is processed through the Employment Development Department for appropriate approvals. A completed copy is forwarded to the SDA.

The SDAs are cautioned that transferred funds should not be expended until the subgrant modification reflecting the transfer has been processed.

Reporting

The funds transferred will take on the requirements of the recipient program (i.e., the program into which the funds are transferred). The SDAs need to report these funds on either the JTPA 12 or 12E under the recipient programs' grant codes. However, the transferred funds and associated expenditures against these funds should not be reported in the recipient programs' grant codes until written notification of the completed unilateral modification has been received from the JTPD.

ACTION:

Bring this Directive to the attention of all affected staff. This may include fiscal staff, policy planners, and staff who request cash and prepare reports.

INQUIRIES:

If you have any questions about the information contained in this Directive, please contact your Program Manager.

/S/ BILL BURKE
Acting Chief

Attachments are not available on line. To obtain a copy e-mail JTPD at **JTPDLIB@EDD.CA.GOV** or contact Jim Scholl at (916) 657-4610.

1. Job Training Plan, Part II - Section 8, Intra-Title Transfer of Funds Declaration
2. Job Training Plan, Section 9 - Title III Substate Plan Budget Summary
3. U.S. Department of Labor, Employment and Training Administration Training and Employment Guidance Letter No. 7-95